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September 1, 2004

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Local Boundary Commission
Department of Community and Economic Development
550 West Seventh Ave. Suite 1770
Anchorage, AK 99501-3510

Local Boundary Commission**Re: City of Homer Comments on DCED Preliminary Report**

Dear Members of the Commission and Staff:

Thank you for the opportunity to comment on the DCED Preliminary Report on Remand Regarding the Impact of the 2002 City of Homer Annexation on the Kachemak Emergency Service Area dated August 12, 2004. The City's comments follow and they are limited specifically to Chapters 3 and 4 of the Report.

Comment on DCED's Review and Analysis of the Issue on Remand (Chapter 3)

The City generally concurs with DCED's review and analysis of the issue on remand (Chapter 3), including the conclusion that the Superior Court's remand for further proceedings was inappropriate for the reasons stated by DCED. Regardless of how one interprets the effect of the Court's decision (including the long term implications for future annexations), it is still necessary for the LBC to discuss and decide the particular question posed by the Court.

The City agrees that KESA remains a more than viable fire and emergency service area after annexation, not only for the reasons stated by DCED on pages 83-86 of the Preliminary Report, but also for the reasons offered previously by the City which are summarized at pages 81-83 of the Preliminary Report. The Kenai Peninsula Borough has numerous options available to it to keep KESA funded and operational post-annexation.

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The DCED Preliminary Report does not comment on the deleterious effects that denial of annexation will have on the City of Homer. The impacts associated with reversing the LBC action on annexation should be carefully considered by both the Commission and the Court. These impacts should be weighed against the effect of annexation on KESA. The City has established in its previous submittals that the negative impacts associated with the denial of annexation far outweigh the negative impacts experienced by KESA as a result of annexation. It is clearly in the best interest of the City and of the State that the annexation be affirmed.


Finally, the City believes the record clearly shows that the LBC adequately considered the potential impacts on KESA during the original proceedings and during subsequent deliberations regarding the request for reconsideration. The Commission did this even though it can be argued that it had no legal obligation to do so. The City believes that the Commission took into consideration prior Commission actions, court rulings, and other documents pertinent to similar cases involving annexations and borough services areas. It also considered the specifics of this particular case. The City believes further that it is abundantly clear that DCED and the Commission members themselves have the knowledge, background, and expertise to make well reasoned policy decisions regarding complex matters such as this. In short, the process worked as the drafters of the constitution intended.

Comment on DCED's Conclusions and Recommendations (Chapter 4)

The City concurs completely with DCED's conclusions and recommendations that the effect on KESA of annexation of 4.58 square miles to the City of Homer should be discussed by the LBC and that the annexation should be affirmed because it is in the best interests of the state.

Thank you for the opportunity to comment on these matters.

Very truly yours,


Walt Wrede
City Manager